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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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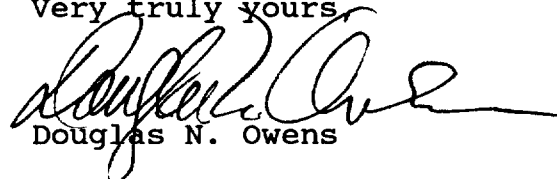
Ms. Donna Searcy, Secretary  
Federal Communications Commission  
1919 "M" Street NW  
Washington, D.C. 20554

Re: In the Matter of Billed Party Preference for 0+ InterLATA  
Calls, CC Docket No. 92-77

Dear Ms. Searcy:

Enclosed are the original and nine copies of the Reply  
Comments of the Northwest Pay Phone Association in the above  
docket. Please accept the same for filing.

Very truly yours,

  
Douglas N. Owens

DNO/mb  
cc: Ray Orme  
Enclosure

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ALBRAIN  
Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.  
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OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Billed Party Preference )  
for 0+ InterLATA calls )

CC Docket No. 92-77

REPLY COMMENTS OF THE NORTHWEST PAY PHONE ASSOCIATION

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Its Attorney

June 17, 1992

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In the Matter of )  
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Billed Party Preference )  
for 0+ InterLATA calls )

CC Docket No. 92-77-ALBRAIN

REPLY COMMENTS OF THE NORTHWEST PAY PHONE ASSOCIATION

The Northwest Pay Phone Association ("NPPA"), pursuant to the Notice issued May 8, 1992 in this Docket,<sup>1</sup> submits its reply comments supporting the proposed requirement discussed at ¶42 of the Notice, that IXCs share with other IXCs, billing and validation data for any card usable with 0+ access. NPPA submits that the information provided in the comments of other parties supports action by the Commission, not the inaction favored by AT&T.

I. SUMMARY

Initial comments of the parties may be roughly divided into those who support the proposal in the Notice as an appropriate interim step to Billed Party Preference, and those who, for various reasons oppose any form of Commission intervention into the use of proprietary calling cards. Supporters of the proposal generally, as did NPPA in its initial comments, point to the benefits of eliminating an anticompetitive situation and to the consumer benefit of facilitating the completion of calls that use a credit card. Opponents of the proposal generally challenge the

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<sup>1</sup>In the Matter of Billed Party Preference for 0+ InterLATA Calls, Notice of Proposed Rulemaking, FCC 92-169, released May 8, 1992.

Commission's authority, point to technical difficulties with implementing the proposal, suggest that there is no need for the proposal and that consumers will be confused if the proposal is adopted.

NPPA submits that the comments of opponents have failed to make a case against the proposal; the case for the proposal is strong and the proposal should be adopted.

## II. AT&T'S COMMERCIAL CHARGE CARD ANALOGY IS MISPLACED

AT&T's comments at p. 2, fn. \*\*, attempt to analogize proprietary calling cards to "ordinary commercial charge cards issued by any retail merchant," such as Sears, for example. This analogy will not withstand scrutiny. As Sprint's comments observe, at p. 2, only the dominant interexchange carrier, with 80% of the presubscribed pay telephones and a 25 million customer embedded base, has sufficient market share to make it worthwhile to issue CIID cards. If this were a market characterized by anything approaching the competitive model, it would not be worth anyone's while in terms of leveraging customer irritation to increase pay telephone presubscriptions, to introduce a calling card that could not be used on any other carrier's network, and promote its use by customers through 0+ dialing.

Further, the analogy breaks down because in the instant situation, the "Sears" customer does not know he or she is in a "Sears" store until it is time to pay at the checkout stand. There, the friendly clerk informs the customer that unfortunately the "Sears" card will not be accepted in "Montgomery Wards," and

the customer must leave the store. To carry the analogy's breakdown further, it is clearly not the case that customer irritation with this scenario can be counted on to convert the "Montgomery Wards" store into a "Sears" store, as is the case with AT&T's use of its CIID cards and its massive customer base to leverage increased presubscriptions of pay telephones.

The Commission should disregard AT&T's inapt analogy, and focus instead on its statutory responsibilities under Section 1 of the Act, to ensure rapid, efficient communications. Such a focus shows that requiring AT&T to provide validation and billing information for its CIID cards to operator service providers, is a proper interim step in this Docket.

### III. THE COMMISSION DOES NOT LACK AUTHORITY OVER AT&T'S VALIDATION

AT&T's comments suggest at p. 4, fn \* that the Commission has no jurisdiction over its validation activities because these were determined to be not subject to regulation in *Detariffing of Billing and Collection Services*, 102 FCC2d 1150 (1986). Nothing in that opinion related to the association of a calling card number with "account information necessary to inform an IXC that an authorized, credit worthy user seeks to place a call with a valid calling card," which the Commission held was clearly within Title II in *In the Matter of Cincinnati Bell Telephone Company*, FCC 91-117, Memorandum Opinion and Order (May 24, 1991), 6 FCC Rcd 3501 at ¶24. AT&T's attempt to confuse the issue of validation and provision of *billing data* with the process of billing and collecting charges for service, is ineffective.

The comments of BellSouth support the notion that validation and the provision of billing data to IXC's are common carrier obligations under Title II. BellSouth's comments at p. 4 echo the statement of benefits to the consuming public that NPPA identified in its initial comments: "end users can enjoy the convenience of 0+ dialing while using the billing mechanism of their choice."

#### IV. AT&T'S POSITION IS A DIRECT CHALLENGE TO THE COMMISSION

AT&T's comments at p. 5, challenge the Commission's proposal head-on. AT&T there states that "there is no circumstance in which AT&T could envision making its calling card data available for validation and billing by its OSP competitors." NPPA, at least can envision such a circumstance, that being the Commission's determination that AT&T must, if it offers a proprietary card that is usable with 0+ access, provide such data as are necessary for the presubscribed carrier to determine whether the account is valid and how to bill the charges.


AT&T's parade of horrors, including the impossibility of blocking 0+ calls made with a CIID card without also blocking 10XXX, and stranded investment if billed party preference is implemented at a future date, and driving customers away from the 0+ dialing protocol, is based on the assumption that AT&T's unilateral election to deny validation and billing information to OSPs who receive 0+ traffic from callers using the CIID cards, is determinative of whether such information will be provided. This parade is at once therefore self serving and without foundation.

V. CONCLUSION

NPPA respectfully submits that the comments of opponents to the proposal to require sharing of validation and billing information for any card that is used to generate 0+ traffic, have failed to show that the public benefits of the proposal should be foregone. The proposal should be accepted by the Commission.

Respectfully submitted,

NORTHWEST PAY PHONE ASSOCIATION

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